

Memorandum

To: Panel Members Date: May 23, 2002

From: Diana Torres, Manager Analyst: R. Negrete
Peter DeMauro, General Counsel

Subject: Proposed Agreement for **Workplace Hollywood (Techforce)**
www.workplacehollywood.org

CONTRACTOR:

- Multiple Employer: Trade Association
- Training Project Profile: Retraining: companies w/out-of-state competition
- Legislative Priorities: Stimulating Exports / Imports
- Type of Industry: Manufacturing
- Repeat Contractor: No
- Union Representation: No
- Name and Local Number of Union representing workers to be Trained: N/A

CONTRACT:

- Program Costs: \$183,360
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$12,700
- Total ETP Funding: \$196,060
- In-Kind Contribution: \$205,000
- Maximum Contractor Charge: \$0 per trainee
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles
- Duration of Agreement: 24 months

SUBCONTRACTORS:

Mission Critical Technologies, of Gardena, California, in an amount to be determined, to provide a portion of Advanced Technology Class/Lab Training

THIRD PARTY SERVICES:

McMullan Solutions, of Livermore, California assisted the Applicant in developing the training plan, Curriculum, and other Application requirements for a flat fee of \$6,000.

NARRATIVE:

This Techforce project represents a joint development effort between the Employment Development Department (EDD) and ETP. Workplace Hollywood is eligible to provide ETP training as a Multiple Employer Contractor under Title 22, California Code of Regulations Section 4400 (j), as a group of employers.

Workplace Hollywood is a Section 501(c)(3) non-profit corporation created in May 2000 to ensure that underrepresented communities in the Los Angeles region gained access to jobs and business opportunities in the entertainment industry. Workplace Hollywood's mission is to aid industry leaders and entertainment corporations in creating a diverse local workforce.

The Executive Board of Workplace Hollywood is comprised of 21 senior executives representing all the major film studios and television networks, including MGM, Warner Brothers, Paramount, Fox, Walt Disney Company, DreamWorks SKG, Sony Pictures, NBC, and Universal Studios, the International Alliance of Theatrical Stage Employees (I.A.T.S.E.) Union, the Association of Motion Picture and Television Producers, as well as several Community Based Organizations.

Although the proposed trainees are not covered by a collective bargaining agreement, IATSE supports this training proposal as a means of enabling the California entertainment industry to maintain jobs in California, in the face of intense competition from other states and foreign countries. Many states and countries have developed robust entertainment economies that compete with California for significant production dollars. This “growing concern for the California entertainment industry. Many productions outside of the region employ non-union workers, a special concern to unions and guilds whose members are excluded from these employment opportunities.

To achieve their workforce development goals, Workplace Hollywood created a regional collaborative with employers, the Los Angeles Community College District, the Los Angeles City Workforce Investment Board (WIB), social service agencies, Community-Based Organizations (Goodwill, Chrysalis, Break Away, Westside Center for Independent Living), adult education institutions, government agencies, unions and guilds.

NARRATIVE: (continued)

Workplace Hollywood has been provided a five-year commitment totaling \$10.5 million to achieve their goal of assisting industry leaders and entertainment corporations in creating a diverse local workforce. The \$10.5 million commitment is made up of: \$1 million pledges each by 3 industry leaders (Steven Spielberg, Jeffery Katzenberg, and David Geffen); a \$2.5 million commitment by the Entertainment Industry Fund, and a \$5 million matching grant by the State of California's Department of Health and Human Services to support entry-level training programs for welfare recipients, the working poor, and other disadvantaged individuals. In addition to the above referenced collaborative workforce initiatives for entry level IT employees, entertainment industry employers also face the need for training beyond entry level positions, as their need for highly trained IT professionals has increased dramatically.

Employer Demand

With the growing need of the entertainment industry to streamline operating expenses, the need for more advanced IT systems has increased dramatically to ensure that participating employers keep costs down and compete with the costs of producing entertainment. Therefore, IT departments within the studios have taken a more prominent role in meeting business objectives to address the skills gap of their current IT workforce.

The newer versions of these systems are web-based systems that integrate highly technical architecture; additionally, operating systems continually change. Windows 2000 is now the "industry standard" as an operating system and participating employers need to have their network administrators, engineers and other IT frontline workers trained in using and supporting these new systems which operate on a totally different file structures. ETP-funded training will enable these companies to retrain their employees to enable them to stay current with the rapidly changing pace of innovation in the IT area, increase participating employer's operating efficiencies, and ensure their viability in the California economy.

As part of this collaborative effort, the Los Angeles City WIB has contributed a \$200,000 grant which is targeted for training entry-level IT employees for projected vacancies resulting from possible upgrades of Techforce retrainees.

Marketing Plan

Employer recruitment will be achieved through contact with entertainment industry IT, human resources and training staff. For this initial proposal, CD Tech assisted the Applicant in conducting an industry-wide survey of the entertainment industry's IT workforce to determine the size and scope of the labor market, obtain job descriptions, identify current and emerging workforce shortages and skills gaps and to gauge the interest among industry employers for participating in this ETP-funded training program.

Participating Employer Eligibility

These California employers are directly competing with production companies outside California. As such, all participating employers meet the out-of-state competition criteria under Title 22 California Code of Regulations, Section 4416 (c) which states that:

“companies assigned to any of the following SIC codes are also deemed to meet out-of- state competition: Industry Number 7812 – Motion Picture Production.

Participating employers will be companies involved in motion picture production and may include MGM, NBC, 20th Century Fox, Warner Brothers, Walt Disney Company, DreamWorks SKG, Sony Pictures and Universal Studios. All participating employers will submit a Certification Statement to Workplace Hollywood to certify each employer’s eligibility.

Employer Participation in Curriculum Development and Employer Feedback

Workplace Hollywood proposes to upgrade the skills of 146 employees from the various studios. The formal assessment of employer training needs was conducted using a survey instrument developed to identify individual employer training needs. Workplace Hollywood and vendor staff conducted the assessment, and the assessment results were the basis of the two module Menu Curriculum. Trainees will be employees that administer, manage, configure, implement and support a company's more advanced enterprise IT infrastructure and related software. This type of training is normally outside the reach of most entertainment industry IT professionals, due to the costs and the need to keep non-revenue producing division budgets at a minimum.

Based on identified training needs, Workplace Hollywood developed a Menu Curriculum with input from a group of participating employers and Mission Critical Technologies, a software development training and consulting firm. The Menu Curriculum consists of Advanced Technology Training (40 to 120 hours of Class/Lab training) for 98 IT workers. An additional 48 trainees will receive 20 hours of Advanced Technology training and 40 hours of Computer Skills training. Workplace Hollywood staff will develop a customized training plan for each participating employer based upon the trainee’s skill level and job assignment. The Participating employers have pledged that each trainee will complete their customized training plan. The majority of Class/Lab training will be provided at the participating employer’s site, with some training also provided at vendor’s training facilities. All classes will be 100 percent ETP trainees.

Workplace Hollywood’s Executive Board meets on a bi-monthly basis thereby providing a forum for participating employers to provide ongoing evaluation of the training. In addition, Workplace Hollywood staff will send periodic follow-up surveys to participating employers to ascertain whether the training provided was beneficial to their employees, and will request any recommendations for improvements in training Curricula.

Supplemental Nature of Training

Workplace Hollywood staff have informed participating employers that ETP-funded training must supplement any training already provided at their expense. Studios have primarily provided training on an ad hoc basis, sometimes after the newer technology is already in place. This causes a greater reliance on outside contractors who are already skilled, making it more difficult to close the skills gap for current employees. ETP-funded training will enable participating employers to supplement their training efforts to enable their employees to keep up with the rapidly changing pace of innovation in the IT area.

Advanced Technology Training

The Applicant is requesting the Advanced Technology training reimbursement rate of \$20 per hour. The majority of the training is Software Development (C++ Programming, Visual C++, Visual Basic.NET, Java); Database Design/Development (Access Programming, MS SQL Server DB Design, Oracle, Sybase, Crystal Reports); Graphic Design, Web Development, and Networking (Cisco and Novell). Applicant states that this type of training normally costs \$2,250 per trainee per class, which is \$225 per hour.

Quantifiable Commitment to Training

Since the Employer Certifications (ETP100E) have not been finalized, the total participating employer in-kind contribution to training has not been determined. At a minimum, participating employers will provide the following in-kind contributions: wages of employees while in training and lost production costs of trainees while in training. Participating employers will also pay for the training costs not covered by ETP for the Advanced Technology training. Applicant staff estimate that total in-kind contributions will be approximately \$205,000.

COMMENTS:

This project supports the Governor's Information Technology Initiative that addresses the high demand for employees skilled in IT skills. This retraining need is especially critical in the entertainment industry where IT workers must obtain skills in the most recent start-of-the-art computer technology to enable them to adapt to the rapidly changing pace of innovation in the IT area. The Applicant proposes to serve the mid to high level IT training needs of entertainment industry employers. ETP-funded training will provide upgrade training to existing IT workers to ensure the viability of employers in the entertainment industry in the California economy. All trainees are IT workers in the business operations of the participating employers, and are not employees involved in the motion picture or television production operations of the companies.

PROPOSED ACTION:

Staff recommends the Panel approve this Proposed Agreement and the Advanced Technology training reimbursement, if funds are available, and the project meets Panel priorities, and direct staff to prepare a Final Agreement, contingent upon the submission and approval of the following:

- a final Primary Contractor Certification Statement (PCCS) including the total in-kind contribution from participating employers and the Contractor;
- final Certification Statements (ETP 100E) from all participating employers
- a final List of Participating Employers (ETP 100B) listing the initial core group of participating employers and the number of trainees at each employer; and,
- a final ETP 100D listing of all subcontractors that will provide training or project administration services.

TRAINING PLAN:

Job/ Trainee Type	Types of Training	No. to be Retained	No. Class/ Lab Hrs.	No. SOST Hours	Cost Per Trainee	Hourly Wage after 90 days
1 – 3 Retrainees	Advanced Technology Training	98	40 - 120	-0-	\$855 - \$2,566	\$31.25 - \$57.69
4 Retrainees	Advanced Technology Training Computer Skills	48	20 40	-0-	\$984	\$21.63 - \$57.69
Health Benefits used to meet ETP minimum wage: N/A			Range of Hourly Wages: \$21.63 - \$57.69			
			Prevalent Hourly Wage: \$31.25			
			Average Cost Per Trainee: \$1,343			
			Turnover Rate: Varies by employer, all will be 20 percent or less		% of Managers & Supervisors to be trained: 18%	

**Participating Employers in Retraining
Multiple Employer (MEC) Agreement
(ETP 100B)**

Contractor's Name: Workplace Hollywood

CCG No.:

Reference No: 02-0356

Page 1

PRINT OR TYPE

Company: 20th Century Fox

Address: 2121 Avenue of the Stars

City, State, Zip: Los Angeles, CA

Contact Person/Title: Reggie Pendleton, Recruitment Manager

Telephone No: (310) 369-0006

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 3,650

Estimated #of employees to be retrained under this Agreement: 18

Company: Metro-Goldwyn-Mayer

Address: 2500 Broadway Street

City, State, Zip: Santa Monica, CA 90401-3061

Contact Person/Title: Kim Spenchian, Chief Information Officer

Telephone No: (310) 449-3950

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 1,030

Estimated # of employees to be retrained or hired under this Agreement: TBD

Company: NBC

Address: 3000 West Alameda Avenue

City, State, Zip: Burbank, CA 91523-0001

Contact Person/Title: Tom Peck, Chief Information Officer

Telephone No: (818) 840-4608

Collective Bargaining Agreement(s):N/A

Total # of full-time company employees worldwide: 6,000

Estimated # of employees to be retrained or hired under this Agreement: TBD

**Participating Employers in Retraining
Multiple Employer (MEC) Agreement
(ETP 100B)**

Contractor's Name: Workplace Hollywood

CCG No.:

Reference No: 02-0356

Page 2

PRINT OR TYPE

Company: Paramount

Address: 5555 Melrose Avenue

City, State, Zip: Hollywood, CA 90038-3197

Contact Person/Title: Colin Western,

Telephone No: (323) 956-5000

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 3,205

Estimated #of employees to be retrained or hired under this Agreement: TBD

Company: Warner Brothers

Address: 4000 Warner Boulevard

City, State, Zip: Burbank, CA 91522-0002

Contact Person/Title: Walther Curtis, MIS Training and Development

Telephone No: (818) 954-6136

Collective Bargaining Agreement(s): N/A

Total # of full-time company employees worldwide: 6,658

Estimated # of employees to be retrained or hired under this Agreement: TBD

Company

Address

City, State, Zip:

Contact Person/Title:

Telephone No.:

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide

Estimated # of employees to be retrained or hired under this Agreement